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Diverging Goals for Reforming EU Legislation

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I. Different Criteria for Joining the Union's Club

The dynamics of European integration can be looked at from two angles, the extension of legislative competencies and enlargement by the accession of additional member states. Over the past 40 years the competencies of European legislation have been continuously extended, in particular by the Single European Act in 1987 and the Maastricht Treaty on European Union (TEU) in 1993 (for an overview, see König 1996: 556). Compared to the European Economic Community of 1958, the process of integration has witnessed the expansion from a Common Market of six to a European Union (EU) of fifteen, with a population today of about 372 millions. As integration progresses over the next decade it may eventually have more than 20 members. However, enlargement has different implications for present member states and applicant countries. While applicant countries expect to profit economically and politically from EU membership, present member states fear that a wide enlargement will dilute the EU's legislative integration. In this paper our concern is EU enlargement, and we will assess the consequences of different accession scenarios on legislative decision making.

Most accession scenarios focus on the economic performance of the applicant countries (Baldwin 1994, von Hagen 1997). Though all eleven formal applicants have been given the status of an Associate country, the economic criteria of the Commission's 'Agenda 2000' proposal alone are not sufficient to determine exactly the set of new members. The accession of the most promising candidates Hungary, Poland, the Czech Republic and Estonia from Eastern Europe, and Slovenia and Cyprus from Southern Europe will depend on their meeting exogenous and endogenous criteria: the applicants for membership not only have to be able to adhere to the aims of political, economic, and monetary union, but the 1997 Amsterdam Intergovernmental Conference (IGC) and its succeeding conferences must also prepare the institutional conditions for ensuring the proper functioning of a further enlarged Union.

With regard to functional integration even British Conservatives accepted to extend member states' majority voting in EU legislation but the debate is about what exactly will constitute a legislative majority. Besides functional integration the institutional reform also aims to increase legitimacy of EU legislation by the way of parliamentary integration. The main reason for parliamentary integration is the decreasing confidence of citizens in EU decision making what is often called the "democratic deficit" (Ludlow 1991). The following analysis faces both aspects of institutional reform, functional and parliamentary integration. We hereby take into account that all present member states must accept any shift from the status quo of the Treaty. In

contrast to previous analyses on EU institutional settings we look on functional and parliamentary integration not only from the member states' individualistic point of view but we also consider the systemic effect of EU institutional reform on legislative decision making. We therefore refer to the decision probability as the likelihood of EU legislative change which we define on the number of all feasible winning coalitions.

Due to their complex feature EU legislative settings are often subject to formal decision-making analyses. Voting power studies focus on the relative decisiveness of member states, while spatial analyses point out the interaction between the Commission, the Council of Ministers (CM), and - sometimes - the European Parliament (EP) in legislative procedures (Tsebelis/Garrett 1996). Both approaches face choices within rules, but institutional reform is a matter related to the constitutional choice of rules. This implies that members states decide on the application of rules for (binding) EU legislation without knowing precisely their preferences on future legislative proposals (Buchanan/Tullock 1962: 78). However, since the expected life of institutions is much higher than the expected life of policies, the "transition from preferences over policies to preferences over institutions is neither automatic nor straightforward" (Tsebelis 1990: 98). Accordingly, the member states' calculation problem concerns the important question of how to measure the consequences of an institutional choice without having precise information on future preference configurations.

We argue that member states' inclusiveness is especially important for explaining the constitutional choice of rules because it measures their absolute aspect without using the assumption on actors' precise knowledge of their future preferences. Inclusiveness expresses the decision probability on the system level and the risk of being excluded from decisions on the individual level. It therefore answers the two crucial questions on EU institutional reform, namely present member states' fear of legislative gridlock and of being outvoted in a further enlarged Union. Our findings on recent functional integration show that member states made different contributions to reducing the gridlock danger in EU legislation by the transformation from unanimity to weighted qualified majority voting in the mid-1980s. On the system level, member states increased the decision probability by about 400 times when they began to apply qualified majority voting to establish the internal market. This higher potential for policy change has been continuously decreasing by enlargements and parliamentary inclusion.

Despite qualified majority voting, the accession of new member states and the additional EP integration may further decrease the decision probability and again lead to the danger of gridlock. Since many competencies of national governments have already been transferred to

the EU level, the adaptation of EU law will become even more difficult and endanger the further functioning of the internal market. The diverging goals of European institutional politics must therefore be decided, i.e. functional and parliamentary integration as well as the preservation of (in-)equality between the member states threatened by further enlargements. Regarding our findings on former enlargements and actual reform options, we present ways of institutional politics which have been rejected during the Amsterdam IGC. In addition to examining these proposals, we show a scenario of how to reduce the gridlock danger in a further enlarged Union.

The remainder of this paper is divided into four sections. In the following section we outline the reasons for EP integration and the transformation from equal unanimity to unequal qualified majority voting in the CM. We discuss the two major approaches applied for explaining these changes which became apparent during the mid-1980s. Next, we present our conception of legislative actors and inter-institutional winning coalitions in order to approach on the member states' choice of rules. With regard to the future Union we argue that two waves of accessions are likely. We then introduce to our concept of inclusiveness referring to the changes of decision probability on the system level and the risk of being excluded on the individual level of member states. Finally, we apply our concept to present and future legislative decision making under standard and codecision procedure.

II. From Unanimity to Qualified Majority in Inter-Institutional Settings

Majority voting is seldom applied to decision making among sovereign states. Despite the formal provisions of the Rome Treaties (1958) for functional majority integration, the Luxembourg Accords (1966) - often called an intergovernmental agreement to disagree on majority voting - granted all member states veto power up to the mid-1980s (Kapteyn/Verloren van Themaat 1990: 249). In 1986 the CM stated in the Official Journal that forty legislative proposals had been adopted by qualified majority voting - tripling the total figure for 1985 (WQ 1121/86, C306/42). At the end of 1986, the CM increased the total figure to more than a hundred qualified majority decisions, in particular on single-market issues (Nugent 1994: 147). Qualified majority decision making facilitates EU legislation, but the remarkable change begs the question as to why the member states allowed for functional majority integration.

Two particular events were important for the transition to qualified majority voting in the CM: first, the member states' intention to adopt 282 measures for completing the internal market that

had been documented in the 1985 White Paper; second, the so-called 'southern enlargement' with the accession of Greece in 1981 and of Spain and Portugal in 1986 that increased the socio-economic variation among the member states. Comparable to the contemporary discussion about the accession of Eastern and Southern European countries, most member states were convinced of the need to increase the potential for policy change by relaxing the strong decision rule of unanimity. For functional integration the qualified majority criterion was applied in the CM, setting a threshold of about 71.2% of all votes which may be decreased in cases of further enlargement. However, the provision for qualified majority voting also differs with regard to the member states' allocated voting weights: in contrast to the "One-Man-One-Vote"-settings of unanimity and simple majority, the CM qualified majority rule distinguishes between larger and smaller member states. The voting weights are approximately related to the size of the member states' population, although France and Germany initially preferred a weighting according to their economic power (Garrett 1992: 546, for a discussion about the distribution of voting weights, see Lane/Mæland/Berg 1995: 395, Widgrén 1995: 78). In studying member states' choice of rules, one must therefore take into consideration both the change to the principle of (in-)equality as well as the decrease in the strength of CM decision rules.

At the same time, the emphasis on functional majority integration has provoked much criticism of EU legislation. Due to the secrecy of CM negotiations member states are able to reduce their responsibility for EU legislation by pointing out the fact (or danger) of being outvoted. In Britain, EU legislation has thus been attacked for its over-regulation, manic harmonization and state subsidies, while the French criticize its liberalism, privatization and laissez-faire economics. Citizens increasingly dislike that European and national bureaucrats coordinate intergovernmental collaboration in internal market, agricultural and trade affairs without any parliamentary control of EU legislation. In order to counter these criticisms, the role of the EP was strengthened when the CM moved to qualified majority voting in the mid-80s. The cooperation and assent procedure were introduced in 1987 and the codecision procedure was established in 1993, the names of which all refer to parliamentary rights in European legislation. All these procedures establish complex multi-cameral systems of EU decision making affecting the preference realizations on the individual as well as the scope of action on the system level. There are many approaches to the Union's institutional framework but they are usually concerned more with the choice within rules than with the choice of rules. Hence they tend to concentrate on the impact of either the differences between member states or inter-institutional

interaction on EU legislation. Considering the member states' different voting weights in the case of qualified majority voting, relative voting power analyses focus solely on actors' relative ability of being decisive in forming CM winning coalitions. Their main findings concern the decreasing power of larger member states due to enlargements despite weighted qualified majority voting (Brams/Affuso 1985, Johnston 1995, Lane/Mæland 1995, Hosli 1996). Analogously, these studies also emphasize parliamentary groups' relative ability to put forth their preferences in EP decision making (Lane/Mæland/Berg 1995).

Studying the choice within rules, spatial analyses outline the systemic policy implications of inter-institutional interaction among the CM, the Commission and the EP, particularly in the cooperation and codecision procedure (Garrett/Tsebelis 1996: 270). Concerning inter-institutional interaction, the Commission initiates EU bills in all legislative procedures, and the CM has to adopt Commission proposals, while the EP is only granted conditional agenda-setting power in the cooperation procedure (Steunenberg 1994, Tsebelis 1994, 1996), but blocking power in the codecision (Schneider 1995) and assent procedure (Tsebelis/Garrett 1996). Unlike unanimity, weaker majority rules jeopardize the inclusion of a member states' policy position in potential EU legislation, implying that the scope of European integration will increase under procedures allowing for CM majority voting (Tsebelis/Garrett 1996: 14).

Both approaches to EU decision making have shortcomings when we consider the choice of EU legislative rules. They ignore either the different levels of analysis or the different goals of EU integration. Figure 1 classifies the focus of both prominent approaches on the system or individual level of analysis as well as on functionality or legitimacy.

Figure 1: Approaches to EU Decision Making

		Level of Analysis	
		System	*Individual*
Topic of Analysis	*Functionality*	Council of Ministers	Member States
	Legitimacy	European Parliament	Party Groups

Voting power studies usually focus on either member states' or parliamentary groups' relative ability of being decisive in forming winning coalitions. They are thus limited to the inequality dimension on the individual level when studying the functionality and legitimacy of EU decision making. However, since actors have the same relative ability of being decisive under unanimity and unweighted majority voting, relative power approaches do not take into account the important distinction between strong and weak decision rules, which define the member states' potential for bringing about policy change on the system level. Moreover, only few power studies are based on inter-institutional interaction revealing the different goals of EU integration (König 1997, König/Bräuninger 1997b, Nurmi 1997). Unlike relative voting power studies, spatial models outline both systemic consequences of inter-institutional interaction among EU legislative actors as well as individual member states' restricted abilities to put forth their policy preferences (Tsebelis/Garrett 1997: 21). In spite of their restrictive assumption on the (supranational) Commission's and/or the EP's policy positions, spatial analyses have no satisfactory account for the member states' choice of different procedural settings. In contrast, since their findings on member states' limitations rather stem from their assumption on the location of (supranational actors') policy positions, the spatial approach is hardly to apply to the member states' choice of rules. Regarding the choice of rules the member states' calculation problem is about how to measure the consequences of an institutional choice without having precise information.

We base our analysis on the member states' choice of rules because they are the signatories of any EU Treaty reform. To outline both aspects of the Union's institutional reform, the notions of inequality among member states and of strength of decision rules, we address our study to the individual and system consequences of different legislative procedures on potential legislation, hereby taking into consideration EU inter-institutional interaction. Our concern is the comparison of individual and system inclusiveness values in order to reveal the consequences of procedural modifications that may change parliamentary involvement and functional efficiency of EU legislation. When studying the consequences of different settings we must first identify the procedural settings and second the actors of EU legislative decision making in the present and future Union.

III. Identifying Actors and Winning Coalitions of the Present and Future Union

According to the 1996 Turin conclusions of the European Council, current institutional reform aims to increase the functional efficiency and transparency of EU legislation with respect to higher parliamentary legitimacy (Steunenberg 1997: 2). Member states have principally agreed to reduce the number and the complexity of EU legislative procedures, prompting the question of which provisions are more likely to be selected. In order to raise parliamentary involvement the modified codecision procedure (CONF/4001/97: 122-4) seems to be the most promising voting procedure, requiring not only the consent of the EP, but also giving agenda setter function to parliamentary delegates in the conciliation committee. Regarding enlargement, another goal of institutional politics is functional integration of member states. Functional integration may be facilitated by lowering the CM voting threshold in the standard procedure, thereby allowing for the policy positions of the EP and of some member states to be excluded. The Amsterdam Draft Treaty proposes to apply the standard and codecision procedure extensively, while the assent procedure is applied to legislation on external relations (CONF/4001/97: 119). Moreover, the EP has no agenda setting function under assent procedure, since it can only adopt or reject a proposal. We therefore examine the standard and codecision procedure as ideal types to study the impact of institutional politics on the individual and system level.

The purpose of procedural settings is to set up formal voting rules on winning or losing which is essential in politics but the bi- or tricameral settings of the standard and codecision procedure complicate the identification of winners and losers because they require the consent of different voting bodies presupposing the solution of the internal coalition problem in the Commission, the CM and the EP. We conceptualize the internal coalition problems as subgames which are combined on the compound level of the legislative game. The standard procedure consists of the Commission and CM subgame, while the codecision procedure adds the EP subgame. These subgames differ with regard to their coalition problem depending on the number of subgame actors and the corresponding threshold.[1] Since we focus on the member states' choice of rules we conceptualize the EP as a voting body consisting of two major and two minor parliamentary groups. Each major group is provided with two votes and each minor group has

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[1] Concerning the coalition problem in the Commission subgame we argue that each Commissioner is provided with his or her own portfolio, carries the main leadership responsibility, and is independent of the Commission President in determining how to act on EU legislative decisions. For this reason, we conceptualize the Commission as a unitary actor in EU legislation with the responsible Commissioner as its agent (see also Spence 1994: 92, Westlake 1994: 9). In the CM, the governments of the member states are represented by delegates mediating between their own governments and those of other delegates (Johnston 1994: 27). National governments instruct their delegates, who then cast their votes homogeneously in the CM (Sabsoub 1991: 40).

one vote to fulfill the absolute majority criterion (for an overview of the values of all parliamentary groups, see König 1997: 40f.). Simplifying the EP does not obstruct our findings on the system and individual level but it makes the effects of different enlargements on the incumbents comparable.

The procedural settings of EU legislation define inter-institutional sets of winning coalitions, consisting of all actors necessary to adopt a proposal. However, identifying EU sets of winning coalitions is rather complicated for two reasons: First, the CM's and the EP's decision rules vary to quite an extent, and second, the role of the Commission is rather speculative. According to Article 155 TEU, the Commission holds the exclusive right to initiate legislation and the right to modify a proposal at any point of procedure (Article 189a,2 TEU), thereby making the Commission the agenda setter. Moreover, the Commission also has the right to withdraw, if the proposal's object is felt to emasculated by amendments (Usher 1994: 148). We therefore argue that the Commission cannot be excluded from the set of all relevant legislative actors (for another conception, see Tsebelis/Garrett 1996: 13).

The varying decision rules in the CM and EP reveal different levels of EU legislation which taken together, can be conceptualized as a legislative game combining two or three subgames. On the subgame level, the internal coalition problem between either member states in the CM or parliamentary political groups in the EP has to be solved. The CM subgame offers two majority criteria under standard and codecision procedure, since amendments always require unanimity among member states. Under codecision procedure, the EP may take action or no action. Preventing endorsement by no action slightly decreases the majority criterion, since the EP has always been a voting body consisting of an equal number of representatives. Finally, the legislative compound game requires the inter-institutional consent between the Commission, the CM under standard and, under codecision procedure, between the CM, the EP, and partially the Commission. As the codecision procedure includes the EP, an additional legislative set of winning coalitions is introduced: at present the first set encompasses the Commission, more than 62 CM votes and at least half of the parliamentary votes, the second consists of the unanimous member states with at least the absolute majority of parliamentary votes. Hence, the combinations of two sets of winning coalitions installs a semi-tricameral system, since the Commission can be excluded from the second set under codecision procedure.

In the EP the political group affiliation of parliamentary representatives has proved to dominate coalition formation so that the political groups can be conceptualized as EP entities with weighted votes.

The sets of winning coalitions represent the cornerstone of our analysis of EU procedural settings, but we still have to identify the set(s) of potential member states in a further enlarged Union. During the Copenhagen meeting of the European Council (1993), a French proposal specified the formal requirements for membership, as repeated by the Commission's Agenda 2000 and laid down in Article O TEU. This admission catalogue not only includes measurements of economic development and a functioning market economy, it also requires a quantifiable level of social protection, a control over public debt and inflation, an open economy, a modern fiscal system and the administrative capacity to implement EU legislation (Baldwin 1994: 155). The background is that, from today's perspective, the accession of all applicants would increase the Union's population by around 40% but its GDP by only 4%.

Regarding the Union's budget financing, structural funds and Common Agricultural Policies (CAP), the risks and costs of further enlargement pose a considerable problem not only for potential, but also for actual members spending 1,27% of their GDP for EU budget affairs (Streit/Voigt 1996). The EU's agricultural sector and its poorer regions currently receive about 80% of all EU spending and, since the Eastern applicants are populous, poor and agricultural, an unchanged CAP would increase the Unions's budget by nearly ECU 40 billion. Moreover, extending the structural funds would raise the annual costs by ECU 26 billion (Baldwin 1995: 477). Tax raising, however, is not a feasible policy to cope with these deficits, though enlargements will most probably be accompanied by spending cuts. The eastward enlargement is therefore less favored by southern, poor and agricultural member states, while northern incumbents may expect gains from deepening their trade relations (Michalsky/Wallace 1992: 54).

Under these circumstances, two aspects are important for delineating the set of potential member states. First, Article 2 of the Draft Treaty's protocol on the institutions (CONF/4001/97: 118) that restricts the number of EU member states to 20 without institutional reform. With regard to further enlargement it is feared that a wide enlargement will dilute the Union's legislative activity (Pederson 1994: 165). Second, the economic and geopolitical situation of potential member states which has not only to take into account the deliberation from Russian hegemony but also the ongoing crisis in the Southern hemisphere. Therefore, we expect two waves of enlargement, the first wave will be limited to five new members, and the second wave will contain the remaining six applicants. For the first wave, only Slovenia is meeting the economic preconditions, but it is likely that Hungary, Poland and the Czech Republic will also make up the next group to achieve accession due to their geographical

proximity and their institutional embedding in the Visegrad-4 group (von Hagen 1997: 375). Compared to Latvia and Lithuania with their Russian minorities, Estonia had started to advertise itself less a Baltic than a Scandinavian state, and we expect that it will be pressed to get in as the fifth new member of the first wave by Sweden and Finland.

In contrast to the Commission's Agenda 2000 we consider it to be unlikely that Cyprus will be entrant of the first wave, since its participation would not only exceed the maximum number of the present Union but it also presupposes that Greece and Turkey would support uniquely a Cypriot EU membership. Besides Latvia, Lithuania and Cyprus, Slovakia will be excluded yet, because it is not willing to guarantee minority rights for its Hungarian and Czech population. Moreover, Bulgaria and Romania will have to wait for the second wave, although France supports Romania's membership. Both waves will have consequences on the Union's potential for policy change as well as the individual positions of member states in EU legislation, though actual members have made these future enlargements dependent on the Union's ability to reform its institutional framework.

IV. Measuring the Consequences of Potential Enlargements

In conducting an analysis of the Union's institutional politics, the crucial problem is how to measure the system consequences and individual implications of different procedural settings. To determine the EU's potential for policy change we use the concept of absolute inclusiveness that not only indicates the decision probability on the system level but also reveals an actor's chances of being incorporated in potential EU legislation (König/Bräuninger 1997a, 1997b). On the system level, the strong criterion of unanimity restricts the potential for policy change of a n-actor committee to the single favorable winning coalition of all feasible 2^n coalitions. In order to determine the decision probability in EU legislative procedures, we must take into account the inter-institutional set of winning coalitions containing actors of different voting bodies, i.e. the Commission, the CM and the EP. Since the actors of those voting bodies differ with regard to their membership size and voting threshold, we use our concept for the measurement of decision probability. On the system level, inclusiveness expresses how many winning coalitions exist in relation to all feasible coalitions. Without having knowledge on the preferences of all actors of the actor set N we consider the simple game v with Yes- and No-votes where v(S)=1 if the coalition S is winning, and v(S)=0 else. According to Coleman (1971: 278) the decision probability P(v) is:

$$P(v) = \frac{\sum_{S \subseteq N} v(S)}{2^n}$$

This measure is concerned with the expectation of winning or losing, especially in terms of the ways in which rules are expected to shape potential outcomes.[2] To paraphrase Shepsle (1986: 74), rules are "ex ante agreements about the structure of (potential) cooperation". Applied to the Union's legislative settings, decision probability in the standard procedure involving the Commission and a unanimous CM decreased from 0.0078 for the original six to almost 0.0001 for the twelve member states. This crucial change already indicates that member states had to decrease the threshold in order to complete the internal market up to the end of 1992. In the mid-1980s, when the twelve member states extensively started to apply qualified majority voting for functional integration, their potential for policy change was higher than ever before.

Table 1: Decision Probability of Procedures in Relation to 1986 Unanimity

$\frac{P^t(v)}{P^{1986}}$ (Standard / Unanimity)	1986 - 1995 (12 Member States)	1995 - (15 Member States)	first enlargement (20 Member States)	second enlargment (26 Member States)
Standard/Unanimity	1	0.12	0.004	0.00006
Standard/Qualified Maj.	402.0	318.6	190.2	116.0
Codecision	251.6	199.2	118.9	72.5

Table 1 shows the changes to decision probability in comparison to the decision probability of the unanimous CM in 1986. In the columns we find the differences between unanimity and qualified majority in the standard and codecision procedure, the rows show the changes by past and future enlargements.

Compared to 1986 among the twelve, the accession of new members is continuously decreasing the decision probability to 3/25 in 1995, 1/250 with the first and 6/100000 with the second wave of enlargement. Using qualified majority in the standard procedure, the group of twelve increased their decision probability by 402 times. The accession of Austria, Finland and Sweden (1995) already limited the positive effect on functional integration, decreasing the effect of

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[2] In a committee of four actors, e.g., 16 coalitions of supporting actors exist. Applying unanimity the decision probability is 1/16 because only the grand coalition of all actors may change the status quo. Under simple majority the decision probability increases to 5/16, since the possible exclusion of a single actor offers a total of 5 winning coalitions.

majority voting on decision probability from 402 to about 319 times in the standard procedure. If current procedural settings remain unchanged, further enlargements would eventually reverse the former positive effect of qualified majority voting on functional integration. The accession of Poland with eight votes, Hungary and the Czech Republic each with five votes, Estonia and Slovenia each with two votes would already limit the effect to 190 times and with the accession of Romania with seven votes, Bulgaria with four votes, Lithuania and Slovakia each with three votes, Cyprus and Latvia each with two votes decision probability would only be 116 times as high than that of the 1986's unanimous CM. As a result of the additional parliamentary inclusion, decision probability in the codecision procedure is always lower than in the standard procedure but it will especially be decreased by the second enlargement. Compared to the unanimous twelve in 1986, its value of about 72 times higher is similar to the situation of unanimity in the standard procedure during the 70s, when Denmark, Ireland and the United Kingdom joined the EEC.

Apart from these system effects, any institutional reform requires the consent of all member states which are affected differently by further enlargements. Obviously, member states are not only concerned with the Union's functioning and legitimacy but with their individual changes of putting forth their preferences. We therefore calculate individual inclusiveness that is not a relative but an absolute, policy-seeking concept ranking each actor between its definite exclusion from, and its necessary inclusion in, all feasible winning coalitions. In the case of its definite exclusion, the actor has a dummy player position, but the actor is a veto player if it cannot be excluded from any feasible winning coalition. We define the inclusiveness index ω of actor i in the game v as

$$\omega_i(v) = \frac{\sum_{S \subseteq N, i \in S} v(S)}{\sum_{S \subseteq N} v(S)},$$

i.e. as the number of times an entity participates in winning coalitions in relation to the number of all feasible winning coalitions (Bräuninger 1996: 42).[3]

In order to show the individual differences we list the inclusiveness values of all actors participating in the standard and codecision procedure (Table 2).

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[3] In a four-actor-committee the inclusiveness of each actor is 1.0 under unanimity. Applying simple majority, the individual inclusiveness decreases to 4/5 since each actor can be excluded from one out of five winning coalitions.

Table 2: Individual Inclusiveness of Legislative Actors by Enlargements

	1986 - 1995 (12 Member States)		1995 - (15 Member States)		first enlargement (20 Member States)		second enlargement (26 Member States)	
	Stand.	Codec.	Stand.	Codec.	Stand.	Codec.	Stand.	Codec.
Commission	1.0000	0.9985	1.0000	0.9998	1.0000	1.0000	1.0000	1.0000
CM France (10)	0.8557	0.8559	0.8627	0.8627	0.8661	0.8661	0.8716	0.8716
Germany (10)	0.8557	0.8559	0.8627	0.8627	0.8661	0.8661	0.8716	0.8716
Italy (10)	0.8557	0.8559	0.8627	0.8627	0.8661	0.8661	0.8716	0.8716
UK (10)	0.8557	0.8559	0.8627	0.8627	0.8661	0.8661	0.8716	0.8716
Poland (8)	-	-	-	-	0.8036	0.8036	0.8116	0.8116
Spain (8)	0.8010	0.8013	0.8003	0.8004	0.8036	0.8036	0.8116	0.8116
Romania (7)	-	-	-	-	-	-	0.7778	0.7778
Belgium (5)	0.6841	0.6846	0.6909	0.6909	0.6968	0.6968	0.7037	0.7037
Czech Rep. (5)	-	-	-	-	0.6968	0.6968	0.7037	0.7037
Greece (5)	0.6841	0.6846	0.6909	0.6909	0.6968	0.6968	0.7037	0.7037
Hungary (5)	-	-	-	-	0.6968	0.6968	0.7037	0.7037
Netherlands (5)	0.6841	0.6846	0.6909	0.6909	0.6968	0.6968	0.7037	0.7037
Portugal (5)	0.6841	0.6846	0.6909	0.6909	0.6968	0.6968	0.7037	0.7037
Austria (4)	-	-	0.6556	0.6556	0.6564	0.6564	0.6652	0.6652
Bulgaria (4)	-	-	-	-	-	-	0.6652	0.6652
Sweden (4)	-	-	0.6556	0.6556	0.6564	0.6564	0.6652	0.6652
Denmark (3)	0.6269	0.6274	0.6167	0.6168	0.6192	0.6193	0.6242	0.6242
Finland (3)	-	-	0.6167	0.6168	0.6192	0.6193	0.6242	0.6242
Ireland (3)	0.6269	0.6274	0.6167	0.6168	0.6192	0.6193	0.6242	0.6242
Lithuania (3)	-	-	-	-	-	-	0.6242	0.6242
Slovakia (3)	-	-	-	-	-	-	0.6242	0.6242
Cyprus (2)	-	-	-	-	0.5800	0.5800	0.5834	0.5834
Estonia (2)	-	-	-	-	-	-	0.5834	0.5834
Latvia (2)	-	-	-	-	-	-	0.5834	0.5834
Luxembourg (2)	0.5498	0.5504	0.5736	0.5737	0.5800	0.5800	0.5834	0.5834
Slovenia (2)	-	-	-	-	0.5800	0.5800	0.5834	0.5834
EP 2-votes	0.5000	0.7002	0.5000	0.7000	0.5000	0.7000	0.5000	0.7000
2-votes	0.5000	0.7002	0.5000	0.7000	0.5000	0.7000	0.5000	0.7000
1-votes	0.5000	0.6001	0.5000	0.6000	0.5000	0.6000	0.5000	0.6000
1-votes	0.5000	0.6001	0.5000	0.6000	0.5000	0.6000	0.5000	0.6000

The member states' coalition problem is determined by a qualified majority of at least 71,2% of all votes, though larger member states have higher voting weights than smaller ones. Accordingly, the inclusiveness value of large member states is about 0.86, whereas small member states come close to the value of a dummy player. In contrast to the standard procedure, parliamentary actors give up their dummy player position in the codecision procedure. The two 2-vote and two 1-vote parliamentary actors have to form a negative majority of 3 from 6 votes providing them with different inclusiveness values. Their value ranges between 0.6 and 0.7. In contrast, the Commission always has a veto player position

under standard procedure, but its policy position can be excluded under codecision procedure if member states take a unanimous decision which is supported by an absolute parliamentary majority of 4 votes. This special feature of the semi-tricameral codecision procedure is more profitable for the member states' than the parliamentary groups' inclusiveness since member states have to agree unanimously on a proposal, whereas the parliamentary threshold is hardly raised by the requirement to form an absolute parliamentary majority. Member states thus profit more than parliamentary actors from the possible exclusion of the Commission in codecision procedure (König 1997: 45). However, the codecision procedure improves parliamentary inclusiveness, since the semi-tricameral feature of the cooperation procedure still allows for exclusion of the EP (König/Bräuninger 1997a). The consideration of the EP has small effects on the individual inclusiveness of other legislative actors, because the additional voting body only adds the unanimous winning coalition of the member states.

In the same sense, only member states are directly affected by accessions. The last enlargement to fifteen member states increased the inclusiveness of large member states, while the values of member states with three votes was reduced. By contrast, the enlargement by the accession of Eastern and Southern European countries would benefit all member states. It therefore fulfills the precondition for Treaty reform on the individual level if we suppose member states not to accept any reduction of their inclusiveness due to enlargements. However, enlargement would considerably decrease decision probability on the Union's system level. In order to guarantee the Union's legislative activity, there seems to be only one way of reforming the procedural settings: Decision probability can only be raised by decreasing the CM voting threshold. The question rather is what will constitute a majority and/or if a new distribution of voting weights could be used to balance the asymmetry between member states.

IV. Decreasing the Voting Threshold or Re-Weighting the Votes

Enlargement is an historic opportunity to end the artificial division of Europe, and therefore it is more interesting to look for strategies which may more appropriately serve the cause of institutional reform for potential EU legislation. In this regard, the question of how to vote has already caused considerable friction. Even Britain's Conservatives conceded in the early stages of the Amsterdam IGC that they might accept a limited extension of majority voting in order to have higher decision probability for EU legislation. If the Union's legislation is to function effectively with more than 20 member states, one thing cannot be ignored: it will need more

majority voting. The debate instead will be about what exactly will constitute a legislative majority. Some member states are more likely to be in a majority position if voting weights establish differences. Under unanimity all member states are equal, whereas weighted voting puts larger member states at an advantage. Accessions and new procedures may modify these prerogatives, which generates the question as to how enlargements shift the balance between large and smaller member states.

Table 3: Change of Individual Inclusiveness in Codecision Procedure Compared to Unanimity (Percentage)

$\dfrac{\omega(Cod.) - \omega(Una.)}{\omega(Una.)}$	1986 - 1995 (12 Member States)	1995 - (15 Member States)	first enlargement (20 Member States)	second enlargement (26 Member States)
Commission	-0.2	0	0	0
Large States (10)	-14.4	-13.7	-13.4	-12.8
Large-Mid States (8)	-19.9	-20.0	-19.6	-18.8
Mid-Large States (7)	-	-	-	-22.2
Mid States (5)	-31.6	-30.9	-30.3	-29.6
Mid-Small States (4)	-	-34.4	-34.4	-33.5
Small-Mid States (3)	-37.3	-38.3	-38.1	-37.6
Small States (2)	-45.0	-42.6	-42.0	-41.7
EP Group with 2 votes	66.7	66.7	66.7	66.7
EP Group with 1 vote	33.3	33.3	33.3	33.3

Compared to the maximal inclusiveness under unanimity, Table 3 lists the changes resulting from the application of the codecision procedure with qualified majority voting and the modifications thereto by enlargements. As already shown in Table 2, values for the member states' individual inclusiveness do not vary notably in relation to the procedure applied. Whatever the states of enlargement, most values for the standard and codecision procedure are equal. Only the values for the Commission and the parliamentary actors change, as the latter move from an inactive dummy player position in standard procedure to active participation in the codecision procedure. The Commission's role changes in both procedures, whilst parliamentary actors obviously profit from the move to codecision procedure, as it means they actively participate in EU legislation.

The columns of Table 3 show that legislative actors are affected differently by the transformation from unanimity to qualified majority voting, since voting weights establish

differences among member states. Compared to unanimity providing all member states with an inclusiveness of 1.0, qualified majority decreases the inclusiveness of large states with 10 votes only by about 14%. But for small member states with two votes this move results in the loss of nearly half of their inclusiveness value. The rows of Table 3 indicate that only minimal modifications to the relationship between member states arise from further enlargements. The inclusiveness of mid-large states with eight votes decreases by about 20%, mid states with five votes lose about 30%, mid-small states with four votes lose around 34%, and small-mid states with three votes lose about 38%. We therefore consider a relatively stable asymmetry between member states in the course of enlargements.

Despite the relative stability of individual inclusiveness, the lower decision probability would dilute the Union's legislative activity if the procedural settings remain unchanged. Here, the Amsterdam Draft Treaty (SN/600/97 1997: 113) offers two options for re-weighting member states' inclusiveness: first, large member states should be allocated 25 votes, and the smallest member states 3 votes; second, retaining the current weighting, an additional quorum should provide for the representation of at least 60% of the Union's total population. At present, small countries are heavily over-represented in all Union voting bodies when compared to their population sizes. Nevertheless, even large countries are not able to reach a common position on a redistribution of voting weights. France and Spain would like to increase large countries' voting weights, but Germany suggests applying the quorum solution which would add a population-weighted vote. At the same time, France is opposed to the German proposal as it is assumed that it would give Germany greater weight than itself.

Applying these provisions to an enlarged Union of 26 members, the second option of an additional quorum has the same effects on decision probability as the current provision though: In the standard procedure with qualified majority voting decision probability is raised to 116 times and in the codecision procedure to 72.5 times compared to the 1986's unanimous CM - our baseline for a functioning Union. The first option would provide more frequent policy change, shifting decision probability to 157,9 times in the standard and about 99 times in the codecision procedure. Although the first option slightly reduces the gridlock danger on the system level no significant effort in securing EU functioning can be made as long as the 71,2% threshold pertains. Moreover, the current discussion concentrates on the individual level. Accordingly, the crucial question on Treaty reform how member states are affected by a re-weighting of votes which decreases the gridlock danger. Compared to an unchanged distribution of votes, Figure 2 shows the impacts on the member states' level of inclusiveness.

*Figure 2*: Reform Options of the Amsterdam Draft Treaty
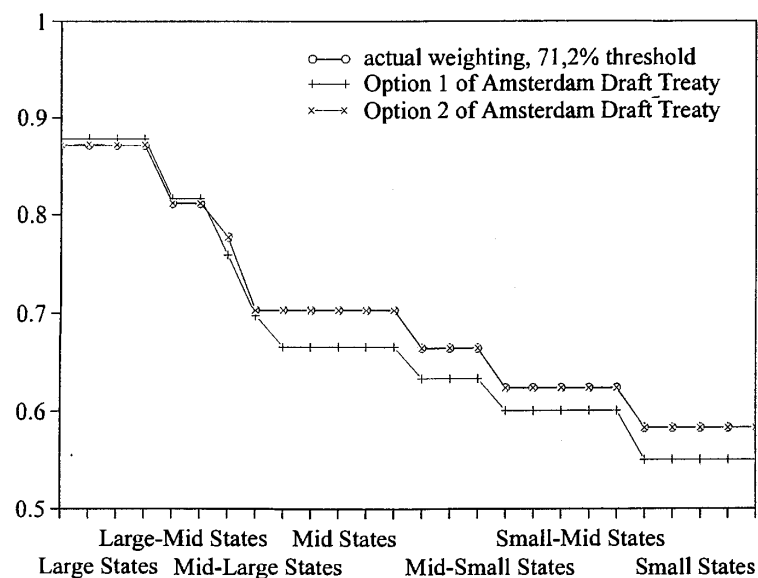
In Figure 2 we find the inclusiveness values of member states in terms of existing weighting and in terms of the two reform options of the Amsterdam Draft Treaty. Applying the additional 60%-population quorum does not constitute an additional difficulty for reaching the 71,2% threshold of present voting weights. There is, thus, no difference between option two and the current distribution on the individual level. However, by privileging larger member states the first option would increase the asymmetry between large and smaller members. This option of institutional reform is considered to be a feasible trade-off for the small (northern) members' goal of an early Eastern enlargement (Baldwin 1995: 478), while the second option has no redistributive effects. Germany, as the promoter of the additional quorum, would in fact have higher gains from a pure re-weighting.

Nevertheless, the Amsterdam options cannot guarantee the functioning of the Union. The focus on the individual level is important for the need of consensual adoption of the institutional reform, but neither the present provision nor the two Amsterdam re-weighting options can significantly reduce the danger of gridlock. In Figure 3 we illustrate a solution for reforming the Union's procedural settings on which member states could also agree consensually. With regard to individual inclusiveness, the lines of Figure 3 indicate the unchanged situation and two

further options of how to reform the procedural settings. In order to reduce the gridlock danger, the voting threshold could be decreased to simple majority without modification of current voting weights as shown in the bottom line. Large member states would have an inclusiveness of about 65%, and small member states would not be reduced to a dummy player position. At the same time, however, member states become much more equal if the CM threshold is declined to simple majority. Therefore, large member states will reject the introduction of simple majority voting but the middle line of Figure 3 shows a strategy keeping both differences among the member states and functional efficiency by sinking the inclusiveness curve.

Figure 3: Lowering the Threshold and Re-Weighting the Votes
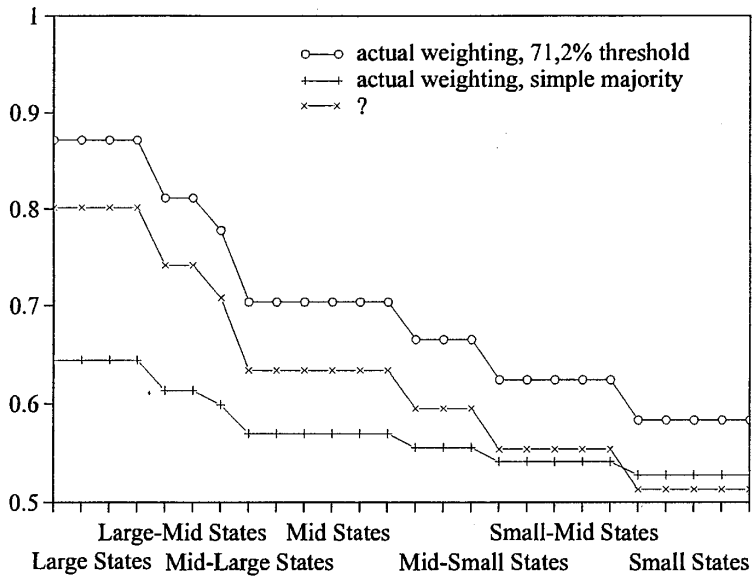
In order to prevent the balance among member states, large member states would have an inclusiveness of about 80%, and mid-large member states would rank at about 60% and so on. Obviously, all large member states could prefer this second option, which offers a way out of the gridlock danger which would be raised by further enlargement.

V. Conclusion

A major topic of the 1997 Amsterdam IGC was to prepare the Unions' institutions for further enlargement. Despite the almost positive echo of officials the Amsterdam Draft Treaty concentrates on present employment and stability problems of the fifteen member states, but it postpones the institutional reform for further enlargements. Another alternative to reform EU legislation is flexibility, a catchword that has been used since the first enlargement in 1973. Flexibility, variable geometry, concentric circles, hard core and two speeds express the idea that certain member states could be allowed to move forward in European integration without having to wait for all other member states to follow. Despite some precedents, such as the opt-out clause for Denmark and Britain, as well as the criteria for membership in the Monetary Union, flexibility goes indeed against the principle of the acquis communautaire which requires the adoption of EU laws in all member states. Hence, flexibility would favor the picking and choosing of proposals thereby undermining the Union's single market. Thus, the Amsterdam Draft Treaty (1997: 133) restricts flexibility to having the consent of all member states, the participation of most member states and the maintenance of the acquis communautaire.

Another fear is that flexibility could create a second-class membership of the Union, sometimes even favored by some member states with regard to further enlargement. Therefore, applicant countries are disappointed from the Amsterdam results, since they had high expectations of getting precise information about the conditions for joining the Union's club. In this regard, we address to the institutional reform and provide a solution for further enlargement which takes into account both goals of institutional reform, functional and parliamentary integration. Our argument builds on inclusiveness, a word which is mostly mentioned but seldom applied to the analysis of the Union's institutional reform.

Our inclusiveness concept is a new method that outlines the absolute aspect of procedural settings. In contrast to the relative voting power concept it stresses the distinction between strong and weak rules which is especially important for the constitutional choice of rules. The application reveals two meanings of inclusiveness, the absolute inclusiveness on the individual level and the decision probability on the system level. On the individual level, inclusiveness corresponds to the risk to which a member state can be excluded from legislation. If procedural settings remain unchanged our findings show that all member states will increase their inclusiveness by enlargement. Although higher inclusiveness decreases the risk of being

excluded, the accession of new member states reduces the decision probability on the system level. Without institutional reform we must be prepared for high danger of legislative gridlock. To determine the individual and system consequences of procedural settings, our analysis is based on the inter-institutional interaction among the Commission, the member states and the EP which is often ignored by intergovernmental analyses. Decreasing the threshold raises the potential for policy change which is threatened by the accession of new members and the involvement of parliamentary actors both cutting down the relative number of winning coalitions. Besides this system effect, absolute inclusiveness exposes the contributions individual incumbents have to make for functional integration. The changes of inclusiveness show the problems of functional and parliamentary integration in a further enlarged Union. In fact, the Amsterdam options will lead into legislative gridlock, as long as larger member states do not accept lower voting thresholds. Therefore, a re-weight must not only respect present asymmetries among member states but it has also to reduce the gridlock danger by offering a wider range of winning coalitions.

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